

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN EDITH CLARK**, on February 5, 2003 at 8:00 A.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Edith Clark, Chairman (R)
Sen. John Cobb, Vice Chairman (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Sen. Bob Keenan (R)
Sen. Emily Stonington (D)

Members Excused: None.

Members Absent: None.

Staff Present: Robert V. Andersen, OBPP
Pat Gervais, Legislative Branch
Lois Steinbeck, Legislative Branch
Sydney Taber, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp refers to material below it.

Committee Business Summary:

Hearing & Date Posted: Public Testimony on Child and
Family Services Division
Hearing on Human and Community
Services Division
MTAP Discussion
Executive Action: None.

{Tape: 1; Side: A; Approx. Time Counter: 0.6 - 1.8}

Pat Gervais, Legislative Fiscal Division (LFD), distributed a memo from the Legislative Audit Division (LAD) regarding potential areas for additional audit work.

EXHIBIT(jhh25a01)

PUBLIC TESTIMONY ON CHILD AND FAMILY SERVICES

{Tape: 1; Side: A; Approx. Time Counter: 1.8 - 8.4}

Patricia McGeshick, Fort Peck Assiniboine and Sioux tribal member and Program Director for the Fort Peck Tribes Crisis Center, testified that the proposed reduction in Child and Family Services (CFS) Division will weaken the system. As an advocate for women and children who are victims of domestic violence and sexual abuse, she expressed her opinion that these cuts will cause more hurt and less hope. She provided her written statement

EXHIBIT(jhh25a02)

{Tape: 1; Side: A; Approx. Time Counter: 8.4 - 16.4}

Morgan Voth, CFS social worker, testified about the necessity of in-home services for families from which children have been removed. He stressed that the service is necessary to monitor the home situation and to allow children a sense of security. He provided his written statement.

EXHIBIT(jhh25a03)

{Tape: 1; Side: A; Approx. Time Counter: 16.4 - 34}

Emelia Marie Clore, licensed CFS in-home family services provider, provided testimony on the need for in-home service. She presented written statements about the value of the services she provides from individuals who have been helped by her and those who refer clients to her.

EXHIBIT(jhh25a04)

{Tape: 1; Side: A; Approx. Time Counter: 34 - 44.7}

Christine Lambert, a foster and adoptive parent of a sibling group, read her statement about the importance of subsidized adoption and Medicaid funds to provide needed services for foster and adopted children.

EXHIBIT(jhh25a05)

Ardis Loberg, a licensed foster care provider and adoptive parent, read her statement and stressed the importance of the

adoption subsidy for families of adopted children with significant medical and mental health issues.

EXHIBIT (jhh25a06)

{Tape: 1; Side: B; Approx. Time Counter: 1.7 - 7.6}

Anita Moon, foster care and adoptive parent, read her testimony stressing the importance of the emotional and financial support she has received from CFS. She and her husband receive a Medicaid subsidy, respite care, and a subsidy to assist with daycare expenses.

EXHIBIT (jhh25a07)

{Tape: 1; Side: B; Approx. Time Counter: 7.6 - 16}

Russ Genaw, a foster parent and police chaplain, testified to the importance of the funding that pays for mental health therapy, respite, and childcare. He stressed that success in raising these children requires assistance with essential services.

EXHIBIT (jhh25a08)

{Tape: 1; Side: B; Approx. Time Counter: 16 - 31.3}

Twila Costigan, a licensed foster parent, addressed the need for the new rental in Billings and the potential loss of the Casey Program. Therapeutic services are essential for many of the children in the foster and adoptive programs and the Casey Program has been a vital link. She addressed the failure of reunification of children into families and the issue of recruitment and retention of foster parents. She said that if they do not take care of the parents that are currently in the program, they will lose them. Foster parent training, subsidies for clothing, daycare, respite, and therapy have been essential in the success of the program. She presented a position paper on the impact of the rollback to 2000 on the program and the testimony of other foster parents with regard to the Casey Program and early intervention.

EXHIBIT (jhh25a09)

{Tape: 1; Side: B; Approx. Time Counter: 31.3 - 49.8}

Florence Horn, Director of the Fort Belknap Tribal Social Services, testified that in-home services provide respite for those with children requiring special needs and monitor the stability of families and safety of children. In rural areas, providers must travel many miles to provide services to prevent child neglect and abuse. She asked the Subcommittee to restore funding and travel expenses for the in-home services program.

{Tape: 2; Side: A; Approx. Time Counter: 0.8 - 2.8}

Earl Brewer, in-home services coordinator for Miles City, testified that in-home services is the most cost-effective and least-intrusive program for families with children at risk for abuse and neglect. It is an essential service in rural areas and cutting the program will lead to children being placed in foster care.

{Tape: 2; Side: A; Approx. Time Counter: 2.8 - 5}

Rick Thompson, Director of Highland Home Programs and foster and adoptive parent, testified in support of in-home services. He supports a budget that includes in-home services.

{Tape: 2; Side: A; Approx. Time Counter: 5 - 9}

Nancy Marks Wiederholt, a foster and adoptive parent, testified in support of subsidies for adoptive families. She said that she needs the Medicaid subsidy as well as the travel stipend, and provided her written statement for the record.

EXHIBIT(jhh25a10)

{Tape: 2; Side: A; Approx. Time Counter: 9 - 17.2}

Stacy Rhodes, in-home service provider, stressed the need for family parenting classes and other services. She reviewed the supports that she provides to families and the need for the services offered through in-home services. She read a letter from Dawn Johnson.

EXHIBIT(jhh25a11)

{Tape: 2; Side: A; Approx. Time Counter: 17.2 - 21.7}

Jan Shaw, Board of Directors of the Lewis and Clark County United Way, spoke on behalf of the Montana Youth Homes and said that the foster care funding cut that occurred in January of 2002 has caused the Montana Youth Home to reduce services to needy children. She said that the safety of children should not be based on dollars and cents.

EXHIBIT(jhh25a12)

{Tape: 2; Side: A; Approx. Time Counter: 21.7 - 29.6}

Becky Belstad, an in-home service provider for Families in Partnership, said that she is unable to work for the in-home services program any longer because of the funding cuts.

{Tape: 2; Side: A; Approx. Time Counter: 29.6 - 43}

Susie Johnson, a service recipient, told how the in-home services program had helped her be a better parent. She said that this is a program which has been successful; it provides resources to families that they may not otherwise have. She continued that

the legislature must keep the small communities in mind when it makes its decision.

{Tape: 2; Side: A; Approx. Time Counter: 43 - 47}

Karen Johnson, a service recipient, told the Subcommittee that the foster care program saved her from a mentally ill and neglectful mother when she was a child. She said that the in-home services and foster parent programs have helped individuals such as herself achieve a measure of success in life.

{Tape: 2; Side: A; Approx. Time Counter: 47 - 51}

{Tape: 2; Side: B; Approx. Time Counter: 0.1 - 0.7}

Angel Escue, a service recipient, testified that in-home services has helped many single parents. She stressed that rural communities need the services provided through the program.

{Tape: 2; Side: B; Approx. Time Counter: 0.7 - 10.7}

Fred Fisher, Casey Family Program and foster and adoptive parent, stressed the importance of in-home services, subsidized adoption, foster care, and the need to maintain and train foster parents. He asked that they restore the Department to health because if it is not done, the state will continue to pay and pay.

EXHIBIT (jhh25a13)

{Tape: 2; Side: B; Approx. Time Counter: 10.7 - 18.7}

Julie Fleck, supervisor of two in-home service projects, reviewed the services offered by them and said that if the State does not pay for the prevention that in-home services can provide, it will eventually pay in prison costs, youth court, multiple foster home placements, and mental health costs. She asked that they consider the impacts that funding cuts will have on CFS and on remote and rural areas of the State.

EXHIBIT (jhh25a14)

{Tape: 2; Side: B; Approx. Time Counter: 18.7 - 23.1}

Deborah O'Brien, mental health therapist in Cut Bank, said that in-home services is the most essential family support program in the area in which she lives. These cuts will shift costs to schools, hospitals, and society in general. She asked that they fight to save the in-home services program.

{Tape: 2; Side: B; Approx. Time Counter: 23.1 - 26}

Laurel Ann Larson, a public school counselor, said that schools seem to be the only place where services can not be denied to children. Public school counselors are overwhelmed by the demands on them and the limitations on programs available to them. Without programs and services to refer children and families to, she can not do it.

{Tape: 2; Side: B; Approx. Time Counter: 26 - 47.8}

{Tape: 3; Side: A; Approx. Time Counter: 0.2 - 7.1}

Susan Stapley, grandparent and a kinship foster parent, stressed the importance of educating the public about services offered by CFS so that people in communities will not be ignorant of where to go when they see a troubled family. She said that Child Protective Services is essential in ensuring that children are safe, and that in-home services are invaluable in providing assistance to families and foster families. She asked that they continue to fund these programs. She presented a photograph of her grandchildren and a doll to remind them of the children that will be affected by the cuts.

EXHIBIT(jhh25a15)

EXHIBIT(jhh25a16)

{Tape: 3; Side: A; Approx. Time Counter: 7.1 - 12.2}

Beth Satre, public policy specialist for the Montana Coalition Against Domestic and Sexual Violence, said that there is a connection between domestic violence and child abuse and neglect. She asked that they not reduce funding for the domestic violence program.

{Tape: 3; Side: A; Approx. Time Counter: 12.2 - 15}

Terry Knight, YWCA of Missoula, spoke in opposition to reductions in domestic violence program funding. She asked that they keep the general fund appropriation for shelters at the \$148,000 level.

{Tape: 3; Side: A; Approx. Time Counter: 15 - 18.1}

Mary Gilluly, a foster parent and Executive Director of an agency providing direct services to families, read her written statement on behalf of continued funding for in-home and domestic violence services to families and children at risk. Funding has failed to keep up with the problems and if these cuts are made, even more children will fall through the cracks.

EXHIBIT(jhh25a17)

{Tape: 3; Side: A; Approx. Time Counter: 18.1 - 30.1}

Bob Deaton, Montana Association of Social Workers, provided testimony about the interplay of social workers and other services in providing services to families.

EXHIBIT(jhh25a18)

{Tape: 3; Side: A; Approx. Time Counter: 30.1 - 43.5}

Bernie MacDonald, former foster child, said that when she was a child there were no services or policies to unify families or

programs to enhance parenting. She said that she does not want the programs and policies to return to those that were in place while she was a child, but would like them to continue to move forward.

{Tape: 3; Side: A; Approx. Time Counter: 43.5 - 49}

{Tape: 3; Side: B; Approx. Time Counter: 0.3 - 3.2}

Geoff Birnbaum, Missoula Youth Homes in Missoula and foster parent, said that the system has been successful and he would like it to continue as such. He asked that they continue to fund the division adequately.

EXHIBIT(jhh25a19)

Warren Wright presented a letter from former representative, Carol Wright of Missoula, which requests that the funding for in-home services and out-of-home foster care programs be continued. As a former CFS worker and now an outside observer of CFS, he asked that foster care and in-home services be a priority for the Subcommittee in their funding decisions.

EXHIBIT(jhh25a20)

{Tape: 3; Side: B; Approx. Time Counter: 3.2 - 4.7}

Mary Trewilliam, a contractor offering in-home reunification, said that cuts have meant children are cut off from services. This is particularly critical in rural areas which desperately need in-home services.

{Tape: 3; Side: B; Approx. Time Counter: 4.7 - 5.5}

Jani McCall, representing Montana Children's Initiative, asked that they not cut services, but restore them to former levels.

{Tape: 3; Side: B; Approx. Time Counter: 5.5 - 11.5}

Barb Robinson, Director of the Friends of Youth in Missoula, testified in support of in-home services. It is her hope that as in-home services is allowed to work, generational problems within families will be overcome.

{Tape: 3; Side: B; Approx. Time Counter: 11.5 - 19.}

Martin Jordan, a foster parent, said that he and his wife had adopted a sibling group. He urged more support for foster families not less. He suggested that they could make food stamps available to foster and adoptive families.

{Tape: 3; Side: B; Approx. Time Counter: 19 - 21.4}

Sarah Lipsombe, Montana Council for Families, presented information on the long-term costs of proposed cuts. She said that some of the cost of cuts are: more school failure for children in the system, early alcohol and drug abuse, and chronic

health problems. Prevention is 80 percent effective, and she urged maintenance of the system.

EXHIBIT (jhh25a21)

Ms. Gervais distributed a sheet with rent and lease schedules for CFS.

EXHIBIT (jhh25a22)

MTAP Bill

{Tape: 3; Side: B; Approx. Time Counter: 25 - 34.8}

Kryss Kuntz said that it would be the wish of the Governor's Committee on Telecommunications Access Service that the poverty rate be left at 250 percent rather than 200 percent. **REP. HAINES** said that this is the only place where the poverty rate is so high. **Ms. Gervais** said that the only other place where the percentage is set so high is in the Developmental Disabilities program because there are no assets and income criteria.

Director Gray added that there are a number of public health programs which have no eligibility requirement. She said that the Department would encourage the Subcommittee to stay at the 250 percent level.

Responding to questions from **REP. HAINES** and **CHAIRMAN CLARK** about the dollar amount of changes they would have to make if they moved from 250 to 200 percent of federal poverty level (FPL), **Ms. Kuntz** said that the one-time cost of the change would be \$43,932. Included in that cost would be database development, reproduction of applications and brochures, web-site update and changes, overall public relations and advertising, and an increase in equipment costs due to varied pricing. In response to a request from **REP. HAINES** for an estimate of the amount in the ending fund balance with each percentage, **Ms. Kuntz** said that if it were kept at 250 percent FPL, at the end of FY05, there would be a projected year-end balance of \$400,471. With 200 percent of FPL at the end of FY05, it would be \$421,395. These figures take into consideration passage of HB 266, SB 35, and elimination of one decision package request.

EXHIBIT (jhh25a23)

EXHIBIT (jhh25a24)

{Tape: 3; Side: B; Approx. Time Counter: 34.8 - 49.5}

Hank Hudson, Administrator of Human and Community Services, stated that his division believes strongly in its programs and works hard to manage them effectively. The programs within the

division are designed to help people deal with poverty and also to help them escape poverty.

EXHIBIT (jhh25a25)

EXHIBIT (jhh25a26)

EXHIBIT (jhh25a27)

{Tape: 4; Side: A; Approx. Time Counter: 0.3 - 7}

Mr. Hudson said that the basic principle upon which the programs are based is that work is the best vehicle to get out of poverty. Programs support the efforts of service recipients to be employed by providing education and training, childcare, cash benefits, and medical care. The division is mindful of the need to keep communities and families involved in the process and recognizes the need to assist with basic needs while promoting employment programs.

{Tape: 4; Side: A; Approx. Time Counter: 7 - 10.1}

Mr. Hudson observed that poverty and the need for services has increased significantly in Montana. Citing national poverty statistics, he said that Montana is fourth in the percentage of people in poverty, second in the number of children in poverty, fifth in the number of people without health insurance, and sixth in income tax liability of those below the poverty level.

{Tape: 4; Side: A; Approx. Time Counter: 10.1 - 12.2}

REP. JAYNE commented that the Governor had made a big point that the state has an unemployment rate of four percent, and **Mr. Hudson** said that he is hoping that there will be considerable growth in the number of jobs and incomes available for those in the lowest income levels. Some of the job growth and income progression is not getting to those on the edge of employment. **REP. JAYNE** said that unemployment on the reservations is over 50 percent, which the Governor does not take into consideration or refuses to acknowledge.

{Tape: 4; Side: A; Approx. Time Counter: 12.2 - 21.5}

Referring to Exhibit 24, **Mr. Hudson** reviewed the bureaus within the division, introduced key staff, and touched on the programs involved within the divisions. He commended Bob Tellerico, HCSD Fiscal Bureau Chief, for the fine job he has done with such a small staff in assisting him and the bureau chiefs to stay within their budgets. The Intergovernmental Human Services Bureau is the primary anti-poverty bureau within the division and is funded almost exclusively with federal funds. Early Childhood Services Bureau ensures that there is quality, affordable, and accessible childcare. The Public Assistance Bureau is the largest bureau and deals mainly with welfare reform and other welfare programs. More than ever, the division has been asked to provide Medicaid-

eligibility expertise. Linda Snedigar is the major Medicaid expert within the division.

{Tape: 4; Side: A; Approx. Time Counter: 21.5 - 24.4}

Mr. Hudson reviewed the Temporary Assistance to Needy Families (TANF) caseload growth over the biennium. All of the programs have grown and continue to grow. He said that they have a decision package which will reduce the number of FTE by eight, and they have also done some downgrading of positions. The staff feels the pinch as they see more individuals requiring services.

{Tape: 4; Side: A; Approx. Time Counter: 24.4 - 30.1}

In his review of the TANF block grant analysis, **Mr. Hudson** said that the state receives \$44 million in federal money and must supply \$14 in maintenance of effort (MOE). They are budgeting \$33,175,000 each year of the next biennium for cash benefits assistance. Expenditures for TANF money include: the cost allocated expenses within the Department, the \$2.6 million to CFS, and the money that goes to the TANF electronic benefits transfer (EBT) system. These are fixed costs about which they can do little. The only moveable number is the cash benefit. They budget \$33,766,000 in FY03 for benefits, and they are currently running over that. Every time they run over this in 2003, they have to reduce the 2004 number because it reduces the amount of money that can be moved forward. They are already eating into an amount that is not enough to pay benefits if they were to stay where they are right now.

{Tape: 4; Side: A; Approx. Time Counter: 30.1 - 46.6}

Ms. Gervais said that in the 2001 session they included \$24 million per year for cash benefits in the 2003 biennium. The change in allocation to over \$30 million reflects the reduction to the Families Achieving Independence in Montana (FAIM) Phase II budgeted in the last session, and the movement of a number of those funds into the cash assistance to support increased caseloads. This gives an idea of the magnitude of the increase since 2001.

Mr. Hudson reviewed the FAIM Phase II R program and the programs that were offered within it. They were able to help many people with those programs. **Mr. Hudson** added that the caseload reflects an exaggerated response to the economy. When there are plenty of jobs, the caseload drops quickly, and where there are few jobs, the caseload increases dramatically. He added that when they place individuals in low-end jobs, those are usually the first jobs to go in a slumping economy. The FAIM Phase II R programs will no longer exist given the economic conditions of this biennium, and the division will no longer transfer funds to Developmental Disabilities, CFS, and childcare. The era of TANF money creativity is on hold until caseloads go down again.

{Tape: 4; Side: A; Approx. Time Counter: 46.6 - 51}

SEN. COBB asked how they could drive caseloads down, and **Mr. Hudson** said that without employment opportunities it is not likely to happen. He said that reauthorization of the welfare reform act at the federal level may have an impact on caseloads. If passed as currently proposed, it would make it more difficult for those that are in the program to stay on it. The new work requirements and the benefit reduction may provide a disincentive to remain on assistance.

{Tape: 4; Side: B; Approx. Time Counter: 0.3 - 3.9}

Mr. Hudson continued that a key to driving down caseloads may be adequate provision of childcare. **SEN. COBB** said that his concern is that TANF reauthorization will mean more work, less daycare in the budget, which will cause a death spiral, and more people will stay on TANF and Medicaid. **Mr. Hudson** said that it is essential that no one stay on public assistance because they can not get childcare. The increases in caseload are partially driven by the childcare waiting list. It is the biggest threat to the increase in caseload.

{Tape: 4; Side: B; Approx. Time Counter: 3.9 - 6.2}

Responding to a question about unexpended TANF monies from **REP. JAYNE**, **Mr. Hudson** said that the unexpended TANF money is rolled forward to 2004. It is an unusual block grant in that it can be rolled forward if it is unused, but for the most part, it must be used on benefits. They estimate that they will move about \$250,000 forward from FY03 to FY04.

Ms. Gervais mentioned that there was concern in the last biennium about whether states would be allowed to keep TANF reserves. There has been no federal-level conversation about TANF reserves within this last year. **Mr. Hudson** added that most states have exhausted their TANF reserves. He went over the caseload projections and the methodology used to determine caseloads.

Responding to a question from **REP. JAYNE** regarding FAIM Phase II R funds, **Mr. Hudson** said that they anticipate that all of those funds will be spent by the end of the biennium. The savings in the reduction went into the cash benefit program.

The following exhibits are photographs of children provided during public testimony on Child and Family Services Division.

EXHIBIT (jhh25a28)

EXHIBIT (jhh25a29)

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. EDITH CLARK, Chairman

SYDNEY TABER, Secretary

EC/ST

EXHIBIT (jhh25aad)